Highest temperature yesterday, 80; lowest, 64.

Detailed weather reports will be found on editorial page.

THE NEW YORK HERALD

THE BEST IN ITS HISTORY, The New York Herald, with all that wa best of The Sun intertwined with it, and the whole revitalized, is a bigger and better and sounder newspaper than ever before.

VOL. LXXXV.-NO. 327-DAILY.

NEW YORK, SATURDAY, JULY 23, 1921.—ENTERED AS SECOND CLASS MATTER, POST OFFICE, NEW YORK, N. Y.

RAILROADS TO GET HALF BILLION CASH TO END STAGNATION

President and Cabinet Find Key Log in Industrial Jam and Will Ask Congress for Aid.

DEBT TO BE FUNDED

Secretary Hoover Says Business Life of Country Will Be Invigorated by Flow of Money.

TO END UNEMPLOYMENT

450,000 Men in Railroad and Nearly Allied Work Will Be Needed in Near Future.

New York Herald Bureau. } Washington, July 22. } President Harding and his Cabine dvisers are confident that the key log in the industrial jam which has gripped the country has been moved ugh the bringing about of a vir tual agreement for settling involved accounts between the railroads and the Government in a manner which will relieve in large measure the present financial difficulties of the

Announcement was made after the Cabinet meeting to-day that the substance of an agreement has been reached for settlement of the transactions on a basis that will give to the railroads probably half a billion dollars in cash without drain on the

gress next Tuesday outlining the plan fessions. in detail and asking for the Congressional authorization that is neces

Details of the plan will not be made known until that time, but it was

According to information in passession, the first proper in the season of the selection of railroads for amounts due as a result

Claims on each side aggregate about \$800,000,000, but the items for alleged Louis many times. the President and his advisers falling

the President and his advisers falling of conviction that they should be paid.

The Treasury to-day is in position of make payments to the carriers of mounts due as soon as they are carrier.

"I second the second of the second amounts due as soon as they are certi-fied as due by the Interstate Commerce fied as due by the Interstate Commerce ney Berger. mmission and consequently early consequent immediate relief to the railroads is possible. Some delay may be made known officially, but it is understood to involve additional necessary

feel that the railroads have been treat-ed unjustly in many particulars and aympathy is left for their position and inability to meet present financial re-quirements. Some of the carriers, while solvent, are unable to meet their bilis payable, and equipment and other sup-ply companies are held up, with con-sequent depression and tack of employ-ment.

ement was made at the White chairman of the Interstate Commerce

Another helpful factor to be considered in the proposed funding of the railroad claims, according to Mr. Hoover, is the probability that it will greatly lessen unemployment. His re-

Continued on Fourth Page, are WHITING PAPERS.--dep.

Erzberger Planning Cooperative Scheme

Special Cable to THE New YORK HERALD Copyright, 1921, by THE NEW YORK HERALD New York Herald Bureau)
Rerlin. July 22.)
MATHIAS ERZBERGER, for MATHIAS ERZBERGER, for-merly Minister of Finance and now Chancellor Wirth's un-official financial adviser, is tour-ing the south German industrial districts seeking support among the workers for the Catholic party's social programme.

The big industrial leaders, however, declare the Erzberger scheme is a form of French syndicalism and assert that un-der it each factory would be

Masked and Uniformed

Bands Seize Victims in

Many Sections.

AFTER 'MORAL LEPERS'

Shorn of Hair and Coat-

ed With Tar.

ONE MAN DEFIES BAND

No Official or Legislative Ac-

tion Taken to Check Spread

of Terrorism.

Special Despatch to THE NEW YORK HEMALD.

AUSTIN, Tex., July 22.—The Ku Klux

Klan has been reestablished in Texas in full vigor of the terrorism that

struction days following the civil war.

Events of the last few weeks show

that such an organization is in wide-

spread operation in this State, al-

though no one outside its pale can

Whipping, usually followed by a

coat of tar and feathers, seems to be

the officially prescribed punishment

for the evildoers who fall under the

been performed by the score since the

first appearance of the masked and

uniformed men at Dallas on the night

not one or more reports of affairs of

Long List of Tarrings

One Man Defies Clan.

r it each factory would be der it each factory would be a separate community, operating in its own interest, with the workmen sharing too much in the profits and the control. Manufacturers object on the ground that it would introduce a state of anarchy in German industry. The Socialists oppose it on similar grounds, saying they fear the scheme would prove an obstacle in the way of nationally organized labor.

CONFESSIONS MISSING IN BLACK SOX TRIAL

Prosecuting Attorney Says made it so terribly feared in recon-Rothstein Knows Where They Can Be Found.

DIRECT LIE IS PASSED say who belongs to it. It moves

Judge Friend Calms Witnesses and Counsel and Tentatively Rules Against Players.

CHICAGO, July 22.—State's Attorney fore Judge Friend, during the trial of not one or more rethe Black Sox for throwing the 1919 this kind are made world's series, that the original copies Cicotte, Joseph Jackson and Claude Williams had disappeared from the vaults in the State's Attorney's office, always. Many more white men have and that the prosecution would have to rely on carbon copies and the testingeroes. No discrimination as to race, was made that the President will to rely on carbon copies and the testi-send a communication to the Con-

made before the Grand Jury last year, the original copies of the immunity waivers signed by the three players stated the railroads had agreed in sub-stance to waive in settlement their if he had any idea where the confes-

Berger, attorney for Carl Zork of St. Louis, that he lied when the lawyer said Redmon had been under arrest in St.

of conviction that they should be noted

t immediate relief to the railossible. Some delay may be ingress, however. Just what forward in his chair.

"You don't dare say that outside of feathered.

At Lutin Wherwood Vinson and Ben wiley received similar treatment at the hands of masked and ghostly uniformed

this court room," said Redmon, leaning to the chart.

Attorney Berger tried to make Redmon admit he was a bookmaker, but tailed. He did bet two or three times a day on ball games, he said, but made no book. Attorney Berger asserted Redmon had told a Sox lawyer he would not tell his atory unless he got the \$10,000 reward offered by the "Master of the "throwing" players.

Redmon steadfastly denied all these accusations. Redmon's story of the knowledge of the alleged conspiracy and the story of the knowledge of the alleged conspiracy and the first all," was Zork's boast, according to Redmon's story.

Redmon said he had known Zork and Ben Franklin of St. Louis and Abe Attail for about fifteen years. His entrance of the stage of the "conspiracy" came after the fourth game at Chicago, when he said Franklin told him "eight ball players were throwing the games," but they had had a falling out with they samblers.

The players, though, would throw the next two games for \$20,000 each and he wanted Redmon to contribute \$5,000 to the fund. Redmon said he declined. He was aked to bring Joe Fesch a St. Louis friend, to Franklin's room that night. He did so and Fesch also turned down the proposition. Later that night, and Ben Levy of Des Moines in the betting phases of the case. Three Zork made the boast above quoted.

"The Great Double Cross."

The Jose of the ward of the stage of the ward of the stage of the manded the boast above quoted.

The old that mo promise of immunity was given Eddic Ciccite, Joe Jackson and Lefty Williams when they signed their when Attorney Hartley L. Reployle testing phases of the case. Three Zork made the boast above quoted.

The old of the case three Lord of the head of the parade in Dullacs. Many public warmings to law yoll the convertion to complete the proper part of her body of clothing, applied a voat of tar and then cut of fer hair. It was alleged that he is a bi

Another eloquent chapter in what is now called that masterpiece of gambling, "The Great Double Cross," was written when Attorney Hartley L. Replogle testified that no promise of immunity was given Eddle Cicotte, Joe Jackson and Lefty Williams when they signed their confessions to complicity in the alloged "fixing of the 1919 world's series" clas-These warnings are signed by the Kux Klan.

The local and State authorities have as yet done nothing toward exposing the organization. Members of the Legislature have been discussing the subject, but no bill or resolution relating to the Ku Klux Klan has been introduced.

Continued on Fifth Page.

TEXAS KU KLUX KLAN POSTAL SERVICE IS SWEPT BY ECONOMY WAVE; ORDERS RENEWS REIGN WITH GO TO 50,000 POSTMASTERS TAR AND FEATHERS

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, July 22. MIFTY THOUSAND postmasters throughout the United States told to-night that the President's economy call is not an appeal, out "a demand born of necessity." The message sent out by Hubert Work, First Assistant Postmaster-General, said that the period of unlimited extravaagnce is at an end and that there is an ample field for retrenchment in all offices above the fourth class.

Mr. Work announced that postal officials moving in the direction of economy within the last sixty days had reduced the ordinary expense of post office management by \$5,465,000 below the appropria-Woman Stripped to Waist,

Postmasters were directed to institute further economies through more efficient supervision, but without impairing the service. Sunday service in larger post offices is to be restricted, and all postmasters are directed to make a complete survey of their offices and to report the economies already effected and those that may further be possible during the quarter ending September 30, 1921.

Mr. Work said it is the intention of the Post Office Department to make careful examinations of all post offices, and that wherever expenditures are found not consistent with the department's policy of retrenchment and elimination of useless expenses officers responsible will be held to strict account.

Men in Every Branch

of Service.

Will Not Meet All Require-

ments of Concern.

Transit Company agreed yesterday to

Acceptance of the wage reduction was

ference with Patrick Connolly, president

quired by the city's growing trans needs can be commanded for the exter sion of the city's transit service."

STRIKING CARPENTERS

to Employers' Terms.

MAC MILLAN ON ARCTIC TRIP.

The decrease, which affects

rough Brotherhood, is effective

INSISTS ON SENDING EMPLOYEES OF I. R. T. TROOPS TO SILESIA ACCEPT CUT IN WAGE

France Wants Britain to Consent to Experts Meeting First.

BRITISH OBJECT TO DELAY RESULT OF REFERENDUM

Lloyd George Refuses to Alter Company Warns That Saving Position Against Reenforcements.

of April 1./ Not a day passes that By the Associated Press.
PARIS, July 22.—The French Govern-For the most part the victims are men of bad repute, perhaps they are wife beaters, bigamists, gamblers and offenders against the moral law. Advance warnings are sometimes given, but not Great Britain, again to insist that the president and general manager of the consider the Upper Silesian situation Monday morning.

before the assembling of the Supreme At Goose Creek two oil field workers, L. Bloomworth and Clan Jones were seized, given a drumhead trial by a band of masked men, found guilty of teing undesirable citizens, tarred and feathered, carried to Houston in an automobile and turned loose.

K. Cummings of Waco was taken by masked men into the country and tarred and feathered. mal note of Premier Briand had not tee members. The action is the result been received up to a late hour toofficial though authentic reports that said that only 1,300 employees voted the reply of the British Prime Minister would be a reaffirmation of his po-

men, whipped for alleged cruelty to his wife, handed a five dollar hill by his tor-mentors and told to leave town. by rall through Germany.

The Petit Parisien is surprised that the British place an entirely different Dr. Paul, a physician of Beaumont, was taken into the country and tarred and feathered. He was told to leave town, but has remained. Festerday he received a second warning to leave or a worse fate would befall him. Dr. Paul eays he will not go.

is correct. This communication, in which the British High Commissioner concurs, is reported to stress the need of more troops.

In the Echo de Paris "Pertinax," its political writer, asserts that behind the divergent views of London and Paris appear two distinctly different policies regarding Germany.

"England," he says, "placing faith in the given word of Germany and in the series of friendly accords, expects the Treaty of Versailles to be executed normally and looks for the pacific development of her adversary of yesterday.

"France, however, does not expect the fulfilment of the treaty except by force. She will be content only when she knows that Germany cannot resist, even though her resources are greater than those of France. France realizes that if Germany can again absorb Poland and the various Danube States the horrors of the last century will begin again. France has promised to defend the States created by the treaty, and she alone can prevent the organization of Europe by the technicians of Berlin, Munich and Vienna."

GERMANY IS READY TO OBEY COUNCIL

Pressure Brought to Bear on Settlement.

Special Cable to THE NEW YORK HERALD.

New York Herald Bureau, | Berlin, July 22, (

Get Them in Early!

Your Want Ads. for Sunday's Big Issue of The Herald should be in Herald Branch Offices by 5 P. M. They can be left at the Main Office, 280 Broadway, until 6 P. M.

For results from the "Better-Sort" put your Want Ads. in

THE NEW YORK HERALD **TELEPHONE CHELSEA 4000**

CITY INVESTIGATOR **DEMANDS EXHIBITION** OF LUSK SILVER GIFT

Hirshfield to Subpæna Detectives' Present to Wife of State Senator.

TRUST CO. NOW HAS IT

Seeks to Know if City Paid for Services of Police on Albany Lobby Duty.

KLEIST STILL IS ELUSIVE

Commissioner Hears Slush Fund Was Much Bigger Than Now Is Known Generally.

That David Hirshfield, Commissions of Accounts, is not satisfied with the Meyer committee version of the silver service presented by New York detectives to Mrs. Clayton R. Lusk, wife of the Senator who introduced and obtained the passage of the bill to make chased. He also will call before him Detective Cornelius J. Brown and others to tell about the purchase of

nissioner Hirshfield the silver is so valuable that it has been placed in the safety deposit vaults of a New tigating committee that he had not seen the silver set, so it was regarded as probable that Commissioner Hirshfield would not consider it necessary to change his plans and summons the Senator to learn the nature and value of the gift.

A United States deputy marshal was placed in charge of each ship and also

Wants Silverware Produced.

would demand that the safe deposit comexamination and public inspection. If the safe deposit company considers the silver service of too great value to risk out of its custody, he said, he will ask that an official of the company accom-

pay of the city while in the State capital

what to the public is the most important result of all, namely, to make the in-vestment of the company and the city self supporting, so that the capital re-

The Commissioner said he understood that there were at least four detectives in Albany for a total of about seven days each. He said he had experienced great difficulty, however, in finding out the details of those visits, and in order that no one connected with the lobbying expedition might escape examination, he had demanded of Police Commissioner Enright a complete list of absentees them.

Mr. Mayer argued that that couldn't be done, that the company had various claims against the board and that many large matters were involved. "The biggest and most important matter involved is the rent," replied Mr. Schlesinger. Pay us or we take the ships."

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Mr. Mayer argued that the company had various claims against the board and that many large ma GIVE UP; ACCEPT CUT 9.000 in Philadelphia Agree

PHILADELPHIA, July 22.—Nine thousand carpenters, who had been on strike here since May 1, to-day accepted terms laid down by their employers, including a material reduction in wages.

Contractors said the carpenters' action probably would bring to an end the entire building trade strike, which was called when a new and lower wage scale for all classes of labor was announced. The wallout crippled building projects at the outset of what is usually the busy season.

The new rate for carpenters was fixed at 90 cents an hour, the old rate having been \$1.12½ cents. In addition the carpenters agreed not to call sympathetic strikes for the benefit of other classes of labor, and to protect nonunion men from molestation. A forty-

union men from molestation. A forty-four hour week is to repiace the former forty hour week, and overtime pay is to be on on the basis of time and a half for the first four hours and double time

HALIFAX, N. S., July 22.—The schooner Bowdoin, carrying Donald B. MacMillan and six companions on a two year exploration trip in the far north, left Halifax to-day and is expected to call at Sydney, N. S.

The Bowdoin reached Halifax last Tuesday from Wiscasset, Mc., and was held here by thick weather. CHICAGO, July 22 .- Ambrose J. Rose

Tules, July 22.—John A. Gustafson, suspended chief of police, to-night was found guilty by a jury of having failed to take proper precautions for public afety on the night and day of the resent race riot here, and also guilty on unother count of conspiracy to free tutomobile thieves and collect rewards.

Drinks 10 Cases of Wine In 9 Days, but Goes Free

PRICE TWO CENTS

BERLIN, July 22.—In view of what was called his "unusual thirst" August Markowski, a janitor, who had been sentenced to five months in jail for drinking ten cases of champagne belonging to a tenant, was pardoned by the High Court to-day. He had consumed the ten cases in nine days. Seemingly to vindicate the judgment of the court Markowski entered the nearest cafe immediatley after he was released to slake his thirst.

U.S. OFFICIALS SEIZE FIVE SHIPS FOR RENT

Vessels of United States Mail Steamship Company Forcibly Taken Over.

OWED BILL OF \$400,000

Board Gives Warning and Then Sends Men Out Into Harbor After Boats.

The most spectacular, in some ways, and yet the quietest raid ever underpermanent the jobs of detectives, was taken by a Government upon ships in Calder of Brooklyn for the anti-Tam-10 Per Cent. Reduction to Hit indicated yesterday when he an- any harbor was conducted last night many Mayoralty nomination nearly nounced he would subporna the sales by United States Marshal McCarthy, swept the steering committee off its records of Tiffany & Co., where, he United States Attorney Hayward and feet at the executive meeting in the said, he understood the silver was pur- General Counsel Elmer Schlesinger of the United States Shipping Board.

Sailing on the tug Beatrice Morse 7, Hudson River, the raiders took posthe largest ships flying the flag of the United States Mail Steamship Company. The ships selzed were the George Washington, about to make York trust company. Senator Lusk tes-tified before the Meyer legislative inves-United States Mail Steamship auspices; the America, the Agamemnon, the President Grant and the Fusque-

personal representative of the United States Shipping Board. The chief op-erating officer or the captain, if found, was told that these men were in ab-solute charge and that henceforward the United States Mail Steamship Line had nothing to do with these ships.

Failure to observe the terms of the contract entered into by the steamship company with the Shipping Board was

"If you don't pay we are going to selze all the ships forthwith," said Mr. Schlesinger.

Mr. Mayer argued that that couldn't

had demanded of Police Commissioner Enright a complete list of absentees from the department during the months of March and April, the period of the activity in connection with the bill. He said he would check up the entire list to find out where each man spent the time, and what he was doing and whether he was on city pay.

Process servers were still searching the city yesterday for John E. Kleist, the lobbylist who is alleged to have received \$10,000 of the slush fund, but no trace of him could be found the Commissioner said. There was a report that Kleist would present himself voluntarily within a week, but it was without verification.

There were further unverified reports also that the slush fund will run into figures several times as high as the total so far revealed. Commissioner said. There was a the passengers go, Mr. Schlesinger Hirshfield is trying to run down a new till man the slush fund was taken with the slush fund was taken where he was an engage to the minutes later, following as lift conference with Judge Larned Hand of the United States District Court, the raiders comprising not only the officials and layers named, but a posse of deputy marshals from this delegate from Brooklyn.

The Price committee said the Carthey delegate from Brooklyn.

The Price committee said the Carthey delegate plant of the Marshal McCarthal Mr. Schle

total so far revealed. Commissioner es the passengers go, Mr. Schlesinger Mr.

Ships Taken to Piers.

CKICAGO, July 22.—Ambrose J. Rose.

91. granted a decree of divorce from his third wife, asserted to-day that women were getting worse with every generation.

"My firs wife was pretty good," he said, "my second was just medium and the third no good at all."

He asserts he is through with them all.

TULSA POLICE CHIEF GUILTY.

Neglect in Riots and Conspiracy With Motor Thieves.

Ships Taken to Piers.

The George Washington, lying proudly, all new after \$1,00,000 of Shipping Board money had been spent to renovate her, alongside the rusted and dismantled Leviathan, was taken over at Pier 3.

Army Transport Service, Hoboken, From there the raiders went to the Panama Line Pier, where the America was lying. The Roitergam of the Holland-America Line had been warped into proportunity to see how quietly and unostentatiously the power of the United States Government can work when it is in full operation.

tion.
On the America, which sails July 25, the Marshal and his aids met not only the Captain but a man who called himself the operating manager of the company. He wanted to know what all the fuss was about. "I'll have to tell my

FUSION STAMPEDE TO SELECT CALDER FOR MAYOR BALKED

Steering Committee Barely Misses Yielding to Drive to Pit Senator Against Hylan as Nominee.

LOCKWOOD HAS BOOM

Koenig, Hilles and Price Plead for Curran, but Tide Is for Brooklyn Legislative Investigator.

MRS. VAN ZILE IN VACANCY

Bennett to Run Anyway and Expects to Beat Lockwood, La Guardia and Haskell in Primary Contest.

A sudden and unexpected drive for United States Senator William M Hotel Commodore vesterday.

Before the leaders could get the situation in hand some of the minor under secret orders at 6:30 from Pier groups nearly succeeded in putting position by the presentation of resolution declaring it to "be the sense of this conference that Senator Calder consent to take the nomina tion."

Despite this strong demand for Calder, and in a sense because of it it was predicted by those on the inside last night that State Senator Charles C. Lockwood will be selected as head of the Republican coalition ticket and Henry H. Curran for Comptroller when the committee resumes its labors at 4 o'clock Monday afternoon.

run for Mayor. He has said he would not be a candidate. It is expected that he will repeat this in open meeting Lockwood, which, it is argued, will be just enough to turn the scales in his

wood. stood for Borough President Curran, at least is said to be for Lockwood.

William Jay Schleffelin, head of the followers declared for Lockwood. The

Guardia, President of the Board of Al-Mayoralty primaries if Calder she was said for them that they thought the logic of the situation demanded a Brooklyn man, yet as between Lockwood and Curran they had to be for Curran, because he lives in Manhattan. If Calder, should accept, it might be looked upon in the nature of a compromise and they would be released from their Curran pledge.

Will Argue Case With Calder,

All of these ways in which Mr. Calder, and the series of the general situation will be pointed out to the Senator when he reaches the city to-morrow. He slee will be told by certain friends that there seems to be a great desire to push him no the Mayoralty race on the part of individuals believed to be interested in the ambitions of certain persons to succeed Mr. Calder in the United States Senate. If Mr. Calder should become Mayor their way would be fairly clear. If he should run and be defeated, it would weaken him and help them. As it stands, Senator Calder believes he has a renomination and incleation absolutely assured. That to